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S E C R E T SECTION 01 OF 04 DILI 000291

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SUBJECT: AMBASSADOR'S MEETINGS WITH MINISTER RAMOS-HORTA

REF: (A) DILI 228; (B) DILI 263; (C) DILI 275; (D) DILI 279; (E) DILI 281, (F)

DILI 283; (G) DILI 287

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CLASSIFIED BY: Grover Joseph Rees, Ambassador, U.S. Embassy
Dili, Department of State.

REASON: 1.4 (b), (d)

1) (U) Ambassador Rees met twice on June 2 with Foreign Minister (and now Defense Minister) Jose Ramos-Horta: in a briefing with the diplomatic corps and in a subsequent private meeting. In the meeting with the diplomatic corps Ramos-Horta said he had been resisted the appointment as Minister of Defense but had finally accepted after being urged to do so by armed forces (FDTL) commander General Taur Matan Ruak. He emphasized recent improvements in the security situation in Dili and was optimistic about the prospects for further improvement. Ramos-Horta suggested that the next United Nations mission might be given a mandate to investigate the violent acts committed in East Timor since April 28, discussed the difficult task of collecting military and police weapons that had been distributed to select "civilians," indicated that his office was working with the Australian forces to facilitate these forces' ability to arrest and detain suspected perpetrators of violent crimes, and said he "hopes" the Portuguese security forces will work in an assigned sector as the other international forces do. Ramos-Horta also spoke candidly about what he regarded as the origins of the current problem: the United Nations tried unsuccessfully to build a state from scratch in two years, and after independence the Timorese government was arrogant and uninclusive. He noted in particular that the Government had ignored and/or disrespected the traditional leadership structure (i.e. local and regional chiefs and "liurai") and the Catholic Church, which Ramos-Horta described as the two institutions that had held the Timorese people together.

2) (S) Summary continued: In his private meeting with Ambassador, Ramos-Horta was even more candid. He discussed the need for further changes in East Timor's Government, which would almost certainly include the resignation or dismissal of Prime

Minister Mari Alkatiri. In Ramos-Horta's view, the only possible way to make Alkatiri's continuance in office acceptable to the public would be for Alkatiri to agree to head a "Government of National Unity" including key opposition leaders and in which the Prime Minister would share power with Ministers rather than exercising it unilaterally. In the alternative, either the Fretolin Central Committee or the Parliament --- including a number of Fretolin Members of Parliament whom he said were very unhappy with Alkatiri --- might vote for Alkatiri's removal, and if none of these things happened by the end of June then President Xanana Gusmao might have to use his constitutional power to dismiss the Prime Minister and appoint a caretaker government. Ramos-Horta said Gusmao had been ready to dismiss Alkatiri a week ago, but that he had persuaded the President not to dismiss the government in the midst of a crisis. He noted that there were "very serious allegations" about Alkatiri's distribution of weapons to his supporters, and about his motivations for calling in the armed forces (FDTL) at several points during the last month. Ramos-Horta added that once he assumed the Defense Ministry he would take orders from the President, not from the Prime Minister. Finally, he suggested that the United Nations be given "100% control" of the 2007 national elections in East Timor. End Summary.

3) (U) In a June 2 briefing for Ambassadors and other senior members of the Dili diplomatic corps, Foreign Minister Ramos-Horta discussed his impending assumption of the Minister of Defense position, which he will hold in addition to the Minister of Foreign Affairs portfolio. He began by saying he might not be an ideal Minister of Defense because he had argued throughout the 1990s that an independent East Timor should have no armed forces. In his December 1996 acceptance of the Nobel Peace Prize he had suggested the "Costa Rica model" of a national police force but no army or other war-fighting entity. He said he had resisted accepting the Defense Ministry but had accepted after several calls from FDTL commander General Taur Matan Ruak, who said FDTL would be very happy if Ramos-Horta were Minister of Defense. He said he had also been urged to accept by Prime Minister Alkatiri and Minister of State Administration Ana Pessoa.

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4) (U) Ramos-Horta said FDTL members had been involved in some inappropriate acts of violence but that FDTL's "reputation had been blackened", in some ways unfairly. He said some violent acts had been committed by FDTL members, but that others had been committed by non-FDTL members wearing FDTL uniforms. (Comment: Although Ramos-Horta seemed to imply that these perpetrators may have been enemies of FDTL trying to make the armed forces look bad, all reports Embassy has received of non-FDTL members wearing FDTL uniforms appear to involve people who were given these uniforms and/or military weapons by senior FDTL officers or by persons acting in concert with them. See Reftels. End Comment.) Ramos Horta added that "FDTL obeyed orders to be involved in putting down violence in the city" and that FDTL had subsequently obeyed the orders it was given to return to barracks.

5) (U) Ramos-Horta indicated that soon after being sworn in as Minister of Defense he would visit the FDTL barracks at Baucau, Metinaro, and Hera. He would then proceed to Gleno to visit with the ex-FDTL "petitioners," and to Maubisse to visit with dissident elements of FDTL under the command of Major Alfredo Reinado. He hoped that in the next week there would be all-inclusive peace talks involving various elements of the Government, the petitioners, the dissident soldiers, the Church, and civil society.

6) (U) Ramos-Horta was optimistic about the security situation in Dili, noting that "last night was the third straight night of almost no violence." He said there had been "some burnings in Becora, but much less than previous days," and although there is "sporadic gunfire, there is no organized shooting." He concluded that "I think we see a trend." He concluded that "the activities of the combined international forces, plus the

messages of our President, are having some impact." He added that "I've had 400 to 600 people camping on the grounds around my house, but last night there were only 100," although he noted that the Canossian Sisters and other church groups are still hosting many thousands of displaced persons.

7) (U) Ramos-Horta suggested that the "next United Nations mission" might be given "a mandate to investigate post-April 28 violence." He also said that as soon as he takes over as defense minister he will initiate an immediate internal investigation to determine the location of all FDTL weapons, which would facilitate the recovery of any weapons distributed to non-FDTL members. He noted that General Matan Ruak had written to the Prime Minister offering to compare lists of the weapons that had been given to FDTL with the weapons the FDTL still possesses.

8) (U) Ramos-Horta said his international legal advisor is working with representatives of the Australian forces on procedures under which the international forces could arrest and detain suspected perpetrators of violent crimes. He said that at present the forces are either not arresting those caught in the act of burning houses or committing other violence, or are arresting them and releasing them shortly thereafter. He noted that the Timorese courts are working and that a number of Timorese judges would soon graduate from their training course and return to the bench.

9) (U) Ramos-Horta told the diplomats that when the Portuguese paramilitary police (GNR) arrive, "I hope they will work in assigned sectors like the Australians, the Malaysians, and the New Zealand forces." The Portuguese Ambassador, who was present at the meeting, immediately raised an unrelated question but did not address Ramos-Horta's suggestion that the Portuguese unit should operate only in an assigned sector.

10) (U) Finally, Ramos-Horta spoke candidly about what he regarded as the causes of the current situation. He said that East Timor should not be regarded as a "failed or failing state", noting that "only a few months ago we were seen as a shining example of democracy." He said the next few days or weeks would be crucial in determining which of these paths East Timor would take. Ramos-Horta suggested that two years of United Nations administration was "too soon to build a state. But if our government had been more inclusive, less arrogant, we

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could have avoided these problems. In particular, the government had erred by not working together with the Catholic Church, "the only centuries-old institution in this country. He noted that the Portuguese government had survived for 500 years in Timor with no army, "because they worked together with the Church and the traditional leaders (liurai). But we thought it was politically correct to do away with the traditional leaders and to be extremely secular. So we undermined the two institutions that held the country together. But we are learning, and under Xanana's leadership we will succeed."

11) (S) In a private meeting several hours later with Ambassador, Ramos-Horta said that further changes in the Government will be necessary beyond the replacement of the Ministers of Defense and Interior, in order to restore public confidence, peace, and stability. He expects these changes to take place by the end of June at the latest.

12) (S) In Ramos-Horta's view, the only way the public will accept Alkatiri's continuance in office is if he agrees to head a "Government of National Unity" that includes key opposition leaders and discards some of the incompetent or corrupt Fretelin cabinet members. Ramos-Horta has already urged this option, but Alkatiri has repeatedly turned it down. If the Prime Minister keeps on refusing, then Ramos-Horta believes the Fretelin Central Committee might vote to recommend his resignation. Ramos-Horta has spoken with Francisco Branco, the leader of the Fretelin bench in Parliament, who was a prominent supporter of Alkatiri's as recently as the May 17-19 Fretelin Congress, but

who is now angry and looking for an alternative. Branco is trying to arrange a meeting of the party Central Committee, but Alkatiri may prevent this from happening. Another possible course of action would be for Parliament to pass a vote of no confidence in the Prime Minister. This would require that at least 15 to 20 of the 55 Fretolin Members of Parliament join 25 to 30 of the 33 non-Fretolin members to support the motion of no confidence. Ramos-Horta believes Branco and others would vote for such a motion. He also believes it might be possible to persuade Francisco Lu'Olo Guterres, the President of Parliament and a strong Alkatiri ally, to distance himself from Alkatiri.

13) (S) According to Ramos-Horta, if none of the above scenarios have happened by the end of June, he (Ramos-Horta) will resign from the Cabinet along with several other Ministers, and President Gusmao will invoke his constitutional power to dismiss the Prime Minister "when necessary to assure the regular functioning of the democratic institutions." A caretake government would then be appointed, probably with Ramos-Horta as Prime Minister and Jose Lobato (a highly regarded former member of Parliament who is an Alkatiri ally and who now serves as Director of the Timor Sea Designated Authority, the joint East Timor-Australia offshore petroleum field management entity) as Deputy Prime Minister.

14) (S) Ramos-Horta said the President was ready to dismiss Alkatiri last week, but that he had persuaded the President "not to dismiss the Government in the midst of the security crisis. I told Xanana, let's not take any imprudent actions. We are closing in on him." Nevertheless, he noted that the President is absolutely determined to dismiss Alkatiri, primarily because of evidence that has been presented to the President of Alkatiri's personal involvement in distributing weapons, including some that were allegedly to have been used to kill people. See Ref G. Ramos-Horta said he himself was not familiar with all of the evidence in the President's possession, but that he had heard "very serious allegations" against Alkatiri from a number of sources.

15) (S) Ramos-Horta stated that as Minister of Defense he will take his instructions from President Gusmao, not from Alkatiri. He noted that he used to visit Alkatiri's house quite often but no longer does so. Rather, "I spend half of every day in Xanana's office. I work with the Government only on matters of mutual interest. Otherwise I ignore them." He added that Alkatiri is "so stubborn and arrogant he has alienated everyone. Only the loyalists from Maputo stay with him."

16) (SBU) Finally, Ramos-Horta reiterated an earlier suggestion that the United Nations should be given "100 per cent control"

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over the 2007 national elections in East Timor. He said this would not only ensure that the elections were administered in a technically correct manner, but also that they would be regarded as fair by the Timorese people and the international community.

17) (S) Comment: Although Ramos-Horta is accurate in assessing Alkatiri's support among the general public as approaching zero, he and other observers (including Embassy Dili) have been wrong before in assuming that this unpopularity would cause Fretolin to dump Alkatiri. The Prime Minister has proved himself adept at manipulating Fretolin party rules and procedures, and he and his allies recently reconstituted the Fretolin Central Committee to omit a number of anti-Alkatiri members. Alkatiri's ally Lu'Olo could probably succeed in postponing the vote on a motion of no confidence in Parliament for at least long enough to apply the same kinds of pressures and inducements that resulted in Alkatiri's overwhelming victory in the Fretolin Congress. If the President is truly determined to dismiss the Prime Minister it is quite likely he will find it necessary to use his power under article 112 of the Constitution. End Comment.

REES